

Message Text

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FM SECSTATE WASHDC

TO USMISSION OECD PARIS

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FOR ASSISTANT SECRETARY ENDERS

FOLLOWING REPEAT PRETORIA 4412 ACTION SECSTATE INFO CAPE
TOWN DURBAN GABORONE GENEVA MTN GENEVA JOHANNESBURG MASERU
MBABANE 18 NOVEMBER 75.

QUOTE

LIMITED OFFICIAL USE PRETORIA 4412

E.O. 11652: N/A

TAGS: ETRD, GATT, SF

SUBJECT: GATT ARTICLE XXVIII NEGOTIATIONS-SOUTH AFRICA

REF: STATE 270997

1. WE HAVE INFORMED SAG OF SERIOUS CONCERN WITH WHICH US WOULD VIEW
UNILATERAL SAG ACTION IN CURRENT ART. XXVIII NEGOTIATIONS. WE HAVE MA
DE

IT CLEAR THAT US CONSIDERS REDUCTION OF DUTY ON OIL LAMPS (70.14.20)
TOTALLY INADEQUATE COMPENSATION FOR WITHDRAWING CONCESSION ON
EVWPORATORS

AND CONDENSERS (EX. 84.15.90). SAG UNDERSTANDS THAT US LIKELY TO RESO
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TO ARTICLE XXVIII: 3A BUT STILL PLANS TO PROCEED TO RAISE DUTY ON

EX.84.15.90 AND LOWER DUTY ON 70.14.20 TO 2.5 PERCENT.

2. BOARD OF TRADE AND INDUSTRIES REPORT (DATED 1973 BUT ONLY RECENTLY RECEIVED AT EMBASSY) ON THIS SUBJECT RECOMMENDS 20 PERCENT DUTY ON 84.15.90. (WE HAVE POUCHED COPIES OF REPORT TO STATE (EB/OT/TA) AND GENEVA.) SA DEPT OF COMMERCE SOURCE HAS HINTED TO US THAT BOARD'S 20 FIGURE IS THE ONE SAG PLANS TO ADOPT.

3. SAG FINDS ALL THREE COMPENSATION POSSIBILITIES MENTIONED REFTEL UNACCEPTABLE BUT ASKS THAT THEY BE MADE IN WRITING TO SA MISSION GENEVA. OFFER TO BIND BLOCKS, PLATES, LITHOGRAPHIC STONES (84.34.30) AT ZERO UNACCEPTABLE WHEN COMBINED WITH REBINDING 84.15.90 AT 12.5 PERCENT (OR, WE GATHER, AT ANY LEVEL). OFFER TO BIND WATER SPRINKLERS AND SPRAYERS AT 9 PERCENT HAS BEEN CONSIDERED BEFORE AND IS NOT ACCEPTABLE TO SAG. OFFER OF OIL LAMPS AT ZERO AND REBINDING OF EX.84.15.90 AT 12.5 (OR HIGHER) ALSO UNACCEPTABLE, MAINLY BECAUSE OF SECOND OF THESE TWO ELEMENTS.

4. SAG IS FAMILIAR WITH REASONING IN LAST SENTENCE OF PARA FOUR OF REFTEL AND DOES NOT ATTEMPT TO REFUTE THE LOGIC OF IT BUT CONTENTS THAT IS IS AN APPROACH THWT THE US HAS NOT USED IN PREVIOUS XXVIII NEGOTIATIONS. ALSO, SAG SAYS THAT IN THE PAST US HAS ACCEPTED HALVING OF DUTY ON AN ITEM AS SUFFICIENT COMPENSATION FOR WITHDRAWING CONCESSION ON ANOTHER ITEM OF EQUAL TRADE COVERAGE. (SAG ADMITS HOWEVER THAT US HAS NOT APPLIED THIS PRINCIPLE OF HALVING OF DUTY OF 5 PER CENT OR LESS.)

5. IT SEEMS THAT WE HAVE INDEED REACHED AN IMPASSE, ALTHOUGH WE HAVE IMPRESSION THAT SAG MIGHT BE WILLING TO BIND OIL LAMPS AT ZERO IF US COULD ACCEPT THIS AS FULL COMPENSATION, WITHOUT INSISTING ON REBINDING ON EVAPORATORS AND CONDENSERS.

6 SAG STILL CONTENTS THAT US IS TAKING TOUGHER STANCE THAN IN PREVIOUS ARTICLE XXVIII NEGOTIATIONS AND IS FAMILIAR WITH GARLAND/LUB BE CORRESPONDENCE (WHICH WE HAVE OF COURSE NOT YET RECEIVED.)

SAG SEEMS RESIGNED TO US RETALIATION AND ONLY HOPES IT WILL BE LIMITED OFFICIAL USE

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MILD ENOUGH FOR SAG TO IGNORE AND THUS BRING MATTER TO AN END.
BOWDLER
UNQUOTE KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE AGREEMENTS, NEGOTIATIONS, COUNTERVAILING DUTIES, TRADE CONTROLS
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Draft Date: 20 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
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From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1975/newtext/t19751128/aaaaayip.tel
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